

Results-Based State Partnerships: Recent Progress and Future Challenges

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Notes

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Work is done through grants and grant commitments. He wants to update people about progress made through partnership agreements. The talk includes an overview of states' perspectives and work performed with ECOS and EPA senior managers.

Landscape of the State-Federal Relationship

- Program Delegation to States: 37 Programs Under 8 Statutes Eligible
 - 75% of eligible programs have been delegated
 - States take 90% of all enforcement actions
 - 94% of monitoring data used by EPA comes directly from the States
- State/Federal Resources: States Assume the Largest Proportion of Environmental Protection Costs
 - \$8.7 billion in 1986 to over \$15 billion in 2003
 - On average, federal funds make up 20-30% of a State's overall budget (e.g., CA < 5%, Utah ~ 33%, AL > 60%)

Notes

It is important to have a really good working relationship with the states, because they do most of the work. States are critical to accomplishing the goal of protecting the environment.

Strong Joint Partnerships are a Priority for the States

- The States Want EPA to **Invest** in a Stronger, More Effective Partnership
 - More Funding Flexibility via PPGs
 - State Participation in EPA Strategic & Annual Planning/Budgeting
 - Longer Term Plan to Shift from Outputs to Environmental Performance Measures
 - Make NEPPS More Effective, Stimulate Innovation, Reduce Transaction Costs
 - PPAs should be the **single** agreement that defines the State-EPA Partnership.....
 - But NPM guidance, annual commitments are developed apart from PPA negotiations and w/out State input which can result in PPA process that is an ineffective, bureaucratic exercise

Notes

States say they like the Performance Partnership System grants and they are on board with the need to shift from outputs to outcomes. States would like the PPA to be a single agreement; that hasn't always been the case. States want better partnerships. Planning process has been somewhat disconnected in the past. States would like to be more involved with planning and budgeting and they need to make the performance partnership system more expansive.

This Administration's Commitment to Re-Invigorate the Performance Partnership System

Administrator's Memo Affirming NEPPS Commitment (Aug 2001)

- Reiterated goals and principles
- Find ways to make PPA/PPGs more attractive to States
- Develop new/better measures of performance

Administrator's Letter to the Governors (March 2003)

- Urged States to take advantage of PPAs and PPGs to complement State resources in tight fiscal environment

Managing for Improved Results (2002)

ECOS Partnership Agreement and Grants Workgroup (Spring 2003)

- Align Planning and Budgeting Systems
- Improve Value/Effectiveness of PPAs & PPGs

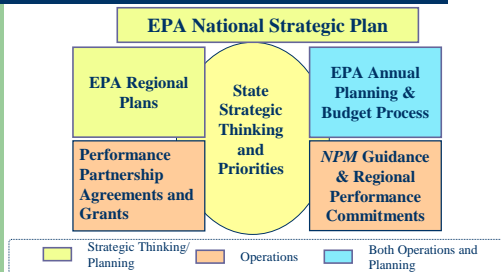
- Joint Letter from the Administrator and ECOS President memorializing agreements (April 2004)

FY2004 Budget: \$1M for a third-party evaluation of Fed, State, & Local roles in service delivery

Notes

There is a push to further the work and to strengthen it, which has received (former) Administrator Whitman's support. They have been making some progress to better align the planning process and incorporate priorities into EPA's planning process. The administration put \$1M in the budget to make the service delivery system more effective.

Aligning EPA and State Planning Systems Increase Opportunities for More Meaningful Joint Planning



Notes

The new alignment will enable them to work with states for more joint planning at the front end.

PPA Reform Efforts: "Improved" PPA Will be Flexible, Yet Contain Essential Elements

- PPA Development Process **Begins** with Aligned Planning Processes
 - Better aligned joint planning will reduce the transaction costs and potential conflicts with other agreements
- EPA-ECOS Recommend Structuring PPAs around "Essential Elements"
 - Environmental conditions, priorities and strategies
 - How priorities align with those in the Regional Plan & EPA Strategic Plan
 - Process for evaluating how well the PPA is working
 - Mutual accountability, including a clear definition of roles and how resources will be deployed to accomplish the work
 - Performance measures for evaluating progress

Notes

There's a range in the complexity and depth of PPAs, but they should have some essential elements to make it an effective tool. EPA and ECOS can examine how to make PPAs more effective.

National Guidance to Advance Performance Partnerships for FY05-07

Purpose

- Focus on institutionalizing Performance Partnership principles more completely into the Agency's core business practices

Objectives

- Explain the overall framework and infrastructure in place to strengthen Performance Partnerships
- Outline OCIR's roles and responsibilities for PPA & PPGs
- Update existing PPG policies and initiatives
- Provide a useful reference for practitioners
- ★ Communicate national goals and priorities to Agency staff and managers

Notes

One of the things they've done recently is to develop a national guidance, changing the way they do business with the state. They need to be sure they institutionalize this work throughout the agency so that it becomes standard practice. It's an agency-wide program.

National Performance Partnership Goals

- Regularly engage State and EPA leaders to address issues for continuous improvement
- Encourage more State participation in joint planning and Performance Partnerships; develop useful tools and outreach products to help
- Ensure State priorities fully considered by EPA
- Expand the use of PPGs; better link PPGs with strategic planning & priority setting process
- Improve joint evaluations to ensure accountability for results
- Promote PPAs that are developed around key PPA "essential elements" and use aligned joint planning as the starting point for negotiation

Notes

These are the goals over the next 3 years.

- *Having a Performance Partnership steering committee of senior managers could help make PPAs more successful.*
- *Performance Partnership Grants (PPGs) are workable if certain things are in place. A key part of this is to be accountable to commitments for each categorical grant. Advocacy and outreach need to be done in order to implement it more broadly.*

Why is this important?

- States more engaged with EPA and continue progress towards true joint planning and priority setting
- NPMs & Regions institutionalize key improvements – elimination of MOAs and more strategic & concise NPM guidance
- Broader use of PPGs to realize administrative savings; leverage resources to target key State-Regional priorities
- More robust partnerships and deeper commitments; PPA better positioned to serve as a unified planning and management tool that defines the State-EPA strategic/operational relationship

Notes

Working with states is extremely important to getting their work done and to meeting their mission. One thing that came out of the workgroup is that the MOA process (the PPA between EPA and regions) was too labor intensive and burdensome; therefore it was removed. PPA will become the unified tool for EPA with states, both strategically and operationally. The next few years will indicate how effective they are.

Questions & Answers

Q: A lot of this is very general, and I was interested in a few specifics. I haven't seen any changes in the PPA process within Region 10.

A: This is all very new; these agreements were just made in the last year, so the next round of PPA agreements should reflect them. There are still some timing issues in that PPAs are developed in the spring/summer, then there's the grants cycle and other things to get in line. ECOS would like to hear about any problems people are having.

Q: What are the advantages of this process?

A: It will save administrative costs because it can carry over funds to use in a region on the same priority. It provides an opportunity to put money into PPG if there are leftover funds.

Questions & Answers

Q: Is there any documentation about the findings of the workgroup?

A: We just had this letter signed today, which will be up on the Web. All states will get the memo. It goes into specifics about things EPA is agreeing to change. We want to start institutionalizing this.

C: Tribes should get more involved. Remember tribes are co-regulators. This should not just be a state-federal alliance but should also expand to tribes.

A: They agree; it's a next step.

Questions & Answers

Q: Have you developed a communication strategy?

A: We have, and this is one of the ways we are getting the word out. ECOS is working with state leaders. Materials such as fact sheets and how-tos will be developed and distributed. One of their objectives is to get deep into the organizations.

Q: Can you tell us who at the regions are participating, and at what level?

A: We have several groups: NEPPS coordinators (link to programs), regional planning councils, and grant managers. There is a good network in place—take a look at the guidance to see core issues.

Questions & Answers

Q: Are these all under OECA?

A: They can encompass many different programs.

Q: What is the difference between PPA and PPG?

A: PPA is a more strategic process; PPG is the grant and is more operational. They should be related. The PPA can be your PPG, and three regions have done this.

Questions & Answers

Q: How many states are involved with the pilot program and how long is it going to last?

A: There are several joint projects, and several states are involved with each one. There are eight projects covering approximately 12 states: VA, MD, WV, IN, MI MN ID, UT, CO, Region 10, and Region 8. Region 8's pilot is covering 12 states.

C (from David Piantanida): We are considering making STAG PPG-eligible. The STAG process is flexible. This will be decided soon. There are some unique challenges with competitive grants. PPGs are not competitive. States would like to combine PPGs with categorical grants, and some categorical grants are competitive.

Questions & Answers

C (from Tom Hanson – moderator): EPA collected data for years and didn't use it. Now they are using it for many things and have made great strides in this area.

Q: Do states have to compete for PPGs?

A: No, they are a tool. States might have to compete for a grant, but if they get a grant then they are still eligible to put it into a PPG.